Overseas Entitlements

Employees recruited in the United States for employment in foreign areas are entitled to certain allowances. The Department of State prescribes regulations normally referred to as the defraying of official residence expenses in foreign areas. There are several different types of allowances however, only the most common types are describe below:

Temporary Quarters Subsistence Allowance: Temporary Quarters Subsistence Allowance, referred to as TQSA is an allowance granted to an employee for the reasonable cost of temporary quarters, meals and laundry expenses incurred by the employee and/or family members at the new post in a foreign area. TQSA can be granted up to a period of 90 days and could be extended for an additional 60 days if approved by the head of agency. Employee must show compelling reasons beyond their control to justify the approval. Prior to the departure from the foreign area, employee may be granted TQSA not to exceed 30 days once residence quarters are vacated. Expense of transportation and other expenses not directly related to lodging, meals and laundry/dry cleaning of clothes are not reimbursable under this allowance.

Living Quarters Allowance (LQA), hereinafter referred to as LQA is a quarters allowance granted to an employee for the annual cost of suitable, adequate living quarters for the employee and his/her family assigned to a foreign area. The LQA rates are designed to cover an employee's average costs for rent, heat, light, fuel, gas, electricity, water, and taxes levied by the local government; however, there are times when this amount does not cover the full extent of the employee costs. It is not designed to cover 100 percent of costs. LQA could include reimbursement of insurance required by the local law and paid by the lessee and an agent's required fee or custom that is incurred by the landlord and paid by the lessee. The amount of LQA allowance is broken into various categories by grade and number of family members. This allowance will vary as the currency of the foreign area changes on the international market.

Personally Owned Quarters: When quarters occupied by an employee are owned by the employee or the spouse, an amount up to 10 percent of original purchase price of quarters shall be considered the annual rate of his/her estimated expenses for rent. Only the expenses for heat, light, fuel, (including gas and electricity), water and in rate cases land rent, may be added to determine the amount of employee's quarters allowance. The amount of the rental portion of the allowance (up to 10 percent of purchase price) is limited to a period not to exceed 10 years at which time the employee will be entitled only to costs above utility expenses, plus rent.

POST ALLOWANCE:
Post Allowance means a cost-of-living allowance granted to an employee to an employee officially stationed at a post in a foreign area where the cost of living, exclusive of quarters costs, is substantially higher than in Washington D. C. It is a balancing factor designed to permit employees to spend the same portion of their basic compensation for current living as they would in Washington D. C., without incurring a reduction in their standard of living because of higher costs of goods and services at a post. The amount paid is a flat rate varying by basic salary, size of family, and post regardless of individual expenses. Post allowance is not taxable income.

Separate Maintenance Allowance: Separate Maintenance Allowance, hereinafter referred to as SMA, is an allowance to assist an employee who is living separate from family members at foreign post whereas the environment is considered too dangerous or notably unhealthy to allow family members to reside. SMA is intended to assist in offsetting the additional expense incurred by an employee who must maintain a separate household for the family or a member of the family. SMA may be granted under the following conditions:

a. For the convenience of the Government (involuntary): May be authorized when adverse, dangerous, or notably unhealthy conditions warrant the exclusion of members of family from the area of when the agency determines a need to exclude members of the family from accompanying an employee to the area.
b. Special Needs of Hardship of the Employee (Voluntary): May be authorized when an employee requests SMA for special needs or hardship prior to or after arrival at post for reasons including but not limited to career, health, educational or family considerations for the spouse, children or other family member.
c. Separation from Family Member: SMA may be granted when the employee is separated from the member of family where the conditions appear to required a separation for a period of at least 90 consecutive calendar days; except for certain conditions the 90 days may be reduced to 30 days. (SMA is approved through Army Major Commands)

Educational Travel: Payment of travel expenses for a child is permitted from the employee's post once each way annually for each type of education (secondary, undergraduate college, post secondary vocational or technical education). The first educational travel round trip may originate from either the employee's foreign post or the U.S. school the child is attending. No educational allowance may be granted for certain periods following the child’s arrival in the U.S. via educational travel.

Post Differential

Post Differential (PD) is designed to provide additional compensation to employees for service at places in foreign areas where conditions of environment differ substantially from conditions in the continental United States. PD is use to warrant additional compensation as a recruitment and retention incentive. It is established for any place where the place involves extraordinarily difficult living conditions, excessive physical hardship, or notably unhealthy conditions affecting the majority of employees stationed or detailed in the foreign area. Living costs are not considered in differential determination. State Department determines the amount in increments of 5, 10, 15, 20, 25 percent for the additional compensation.

Advances of Pay: The law provides that up to three months basic pay may be paid in advance to an employee upon the assignment of the employee to a post in a foreign area. The employee can receive the advance payment prior to proceeding to or arriving at a post of assignment. Advance pay is reimbursed back to the Government through payroll deductions. There is no interest collected on advance pay.

Foreign Transfer Allowance:

Foreign Transfer Allowance, hereinafter referred to as FTA, is a reimbursement of expenses for lodging, meals, laundry, cleaning and pressing expenses in temporary quarters for the employee and each member of family for up to 10 days before final departure from the United States to a foreign post. FTA cannot start earlier than 30 days after the employee vacates residence quarters at the permanent duty station. The 10 days may be extended if it has been determined by the component headquarters that the employee was unable to depart due to unusual circumstances beyond their control.